



# CITY OF FRANKLIN

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

## MINUTES

### REDEVELOPMENT COMMISSION

May 17, 2012

#### **Members Present:**

Bob Heuchan	President
Rob Henderson	Vice-President
BJ Deppe	Secretary
Jay Goad	Member
Richard Wertz	Member
Danny Vaught	Franklin Community School Corporation Representative

#### **Others Present:**

Krista Linke	Planning Director
Rob H. Schafstall	Legal Counsel
Jaime Harshman	Recording Secretary

#### **Call to Order:**

Bob Heuchan called the meeting to order at 8:00 a.m.

#### **Approval of Minutes:**

On a motion by Rob Henderson and a second by BJ Deppe, the members voted unanimously to approve the minutes from the April 19th, 2012 meeting.

#### **Old Business:**

##### **RDC Owned Property Updates:**

Krista Linke stated that the GC Murphy roof work has been completed. David Walters in the Planning Department has been checking on the other properties once a week. The Parks Department has been mowing them and will bill the RDC.

##### **Cash Flow Analysis: Stephen Watson Update:**

Rob Henderson stated that the cash flow report is a work in process. Stephen Watson is about 3 weeks into his review. Since the April meeting about \$12,000 has been spent. The projection is \$6.8 million expected at the end of the year based on known expenditures and appropriations. Mr. Watson is waiting on data from the county before he can finish his work. Mr. Henderson stated there would be a meeting on June 1<sup>st</sup> in regards to that. He hopes to have Mr. Watson do a presentation at the June RDC meeting.

##### **Joint Meeting Dates-Proposed Project List of Discussion:**

Mr. Heuchan stated that the Gateways and Greenways project would take priority.

#### **New Business:**

##### **Resolution 2012-14: Confirming Resolution Metro FiberNet TIF:**

Rob Schafstall stated that the City has retained bond council with Richard Starkey. They are here for the final step. Rich Starkey, Barnes & Thornburg, representing the City, stated the

resolution is for the economic development area. As the fiber is laid around the City, the money from the TIF will go back to paying off the bond. The resolution is for Metro FiberNet to capture its personal property only. Mr. Wertz confirmed that the resolution is for parts that touch the City of Franklin. Mr. Starkey stated that the allocation area actually goes into parts of the county and Whiteland and New Whiteland. Mr. Goad questioned if there was a document from the other cities. Mr. Starkey stated the County and the other cities had all passed resolutions.

The public hearing was held.

Richard Wertz made a motion to approve Resolution 2012-14. Rob Henderson seconded the motion. The motion passed unanimously.

**Resolution 2012-15: TIF Pledge Resolution:**

A public hearing was held.

Jay Goad made a motion to approve Resolution 2012-15. BJ Deppe seconded the motion. The motion passed unanimously.

**Process for disposing of RDC property:**

Mr. Henderson stated that he asked Counsel to give a summary of this. Mr. Schafstall stated the simplest way to think about it would be a 4 point plan. First to have two independent appraisers come in and appraise each parcel. Second, prepare an offering sheet for each parcel. It would advise the public and potential buyers if there is anything for sale and the conditions of the properties. The third step is to publish a public notice and hearing and the last step would be to conduct the hearing. This would be the process if you are disposing of the property.

Mr. Henderson questioned the use of a RFP process. Mr. Schafstall stated that you can award it to the highest and best bidder based on any factors that assure you that the user's plan is going to follow the redevelopment plan and what's going to be best for the community. In the offering sheet you can list compliance with the City's zoning code and be more selective with other criteria. Mr. Henderson asked Ms. Linke to provide examples at the June meeting. She will put a draft together based on other communities. Mr. Wertz would like all the properties identified and the plan for disposing of them in a reasonable fashion. He stated he'd like to know what it's currently costing the City to hold each property as well.

**Financial Report through May 11, 2012:**

Mr. Henderson noted that the date needed to be updated. Ms. Linke stated she would add a column for what was returned from the Best Buy account. \$1.389 million was returned from the escrow.

**1107 N. Main Street:**

Ms. Linke stated the building is the vacant assisted living home (formerly Angel Care). The City has been mowing it for the past 3 years. The property has been through tax sale and auction. The new owner has expressed interest in donating the property back to the City. Mr. Henderson stated he'd like to see it taken care of through the unsafe building fund. Ms. Linke is suggesting that the RDC take title to it. Mr. Deppe stated we would need to have inspections for asbestos. Mr. Heuchan stated that the City would have to look at the costs and the risks of taking it.

**JCDC-Shell Building Discussion: Cheryl Morphew:**

Cheryl Morphew stated that she has some information from the state regarding incoming businesses. The state tracks the type of leads that they get and the size requirements of the leads. She gave the Board a hand out regarding the number of project requests in 2011 in the state. She stated she would like the Board to decide today, as she has a potential business that is already looking at Franklin.

Don Tribec stated that he has statistics for the building needs of Indiana. Indiana has been known as a construction capital. On an annual basis, Indianapolis would establish over 6 million sq. ft. of space annually. There were no spec buildings in 2010 or 2011. The interest in property has increased many times over. They receive calls on a regular basis now and there is interest in doing this. There are 6 spec buildings now available in Indiana, but none in Johnson County.

Ms. Morphew stated that Franklin has already lost one business to Shelbyville because they have a spec building. She stated the first thing to do is to find a partner, then lay out what the timeline looks like. Shelbyville was owned by their development group. The things to think about are considering expansion to accommodate the future growth. The cost for the RDC would be the cost of the ground and the building.

Mayor McGuinness stated that now is the time to do this. With the economy, people are not looking for massive buildings. This is an opportunity that we have opposed to Greenwood. Mr. Goad stated he'd like to know what buildings are available elsewhere. He expressed his concern about the buildings for lease around I-465. Ms. Morphew stated that they are looking for stand alone, single user facilities. Many of the buildings around I-465 are multi-tenant. All of the leads are missed opportunities for Johnson County. Mr. Wertz questioned why aren't the private investors building in Franklin if there's a shortage of structures and how does the RDC fit to find a partner to structure a project. Ms. Morphew stated there's a risk assumed in financing. The RDC is being brought in to mitigate that risk. Mr. Heuchan stated the RDC should have a point person to work with Cheryl and the Mayor. Ms. Morphew stated they'd need to have a sub-committee and start the process today. Mr. Wertz stated he'd like to get it on the agenda next month. Mr. Henderson stated he'd like to move forward with it. It's not in the board's best interest to wait another 30 days since they've already missed a couple of leads. Danny Vaught questioned how long the Shelbyville buildings have sat? Ms. Morphew didn't know but would find out.

Mr. Heuchan stated that Rob Henderson could work with Cheryl, Mayor McGuinness and Krista on this. Mr. Wertz stated that he likes the concept but doesn't feel comfortable voting on it today. He requested that the information get out to the Board before the next meeting. Mr. Tribec stated the cities that are unsuccessful are the ones that don't have a plan in place. He suggested that the RDC make a decision and move forward on it.

**Johnson County REMC and Lightbound Fiber Presentation:**

Chet Aubin, CEO of Jo. Co. REMC, stated they have put in 115 miles of fiber. They are leasing off 120 fibers and had partnered with Lightbound providing internet access and data storage. They have been approached by Electrospec and have talked to Anderson Merchandising, Casting Technology & Indiana Hydraulics and all are interested in having fiber brought in. The infrastructure would help the Tech Park but they would need \$135,000 to do so. Jeff Smith, Electrospec, stated they are happy with the property but disappointed with the internet service. They'd have to pay \$4500 to run the lines and CenturyLink will not update their equipment. They spoke to MetroNet, but they don't know when they will be out in their area. They need

access now for their customers. He stated that all of the automated lines have remote access from Switzerland or Germany and the internet is critical. REMC's time table meets theirs but they don't have the funds to bring their own fiber in. REMC would have it installed by July, 1<sup>st</sup>. Steve Barnett stated that Metro FiberNet had told him that by August 1<sup>st</sup> they would be into the industrial park. Mr. Henderson stated there is an encumbrance of \$165,000 for Electrospec that has not been spent. He would be reluctant to make the investment for 30 days. CEO of REMC wasn't aware that MetroNet would be down that far that quick. Mr. Heuchan suggested having a special meeting in a week. He recommended that the discussion is tabled and called for a meeting next Thursday. Ms. Linke will notify the Board. Ms. Linke stated that the initial resolution for Electrospec was for \$438,500 and \$165,000 was encumbered. Mr. Smith stated the \$165,000 had been spent.

**Library Update and Discussion:**

Mr. Heuchan stated a motion was needed to have the RDC attorney work with the library's board attorney to rescind the \$3.5 million resolution and terminate the purchase agreement.

Rob Henderson made a motion to allow the RDC attorney to terminate the land contract and dissolve the declaratory resolution from May of 2011. Jay Goad seconded the motion. BJ Deppe abstained. The motion passed.

**Other Business:**

**Discover Downtown Franklin Update:**

Megan Sweany stated that the Franklin Farmer's Market is now open. The May Street Fest will be held 8am-9pm on May 25th.

**Franklin Development Corporation Update:**

Craig Wells stated the Entrepreneurship course is starting Monday. At the end of the course is a business competition.

**Public Comments:**

Cheryl Morpew stated that the Shelbyville spec building sat for 2 years.

Gary Moody questioned the disposal of RDC properties and how appraisers would be found. Mr. Heuchan stated he did not know yet. Mr. Moody questioned how the National Register would work. Mr. Henderson stated that would like to have the National Register finished first. Moody questioned where City Court is going to go. Mr. Henderson stated that it is a question for City Council and the Judge. Mr. Moody expressed his concern for the City Court remaining with the County instead of going back to the old City Hall.

**Adjournment:**

There being no further business, the meeting was adjourned. Respectfully submitted this 21st day of June, 2012.

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Bob Heuchan, President

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BJ Deppe, Secretary